

Message Text

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ACTION IO-10

INFO OCT-01 ISO-00 L-03 TRSE-00 EB-07 USPS-01 OC-05 CCO-00

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FM USMISSION GENEVA
TO SECSTATE WASHDC 6106

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EO: 11652: N/A

TAGS: UPU AORY

SUBJ: UPU: INCOME TAX AGREEMENT

REF: STATE 185056

1. PURSUANT TO REFTTEL, COMMUNICATION WAS SENT TO UPU DEPUTY DIRECTOR GENERAL SCOTT ON AUG 8 PROPOSING INCOME TAX AGREEMENT BETWEEN US AND UPU BY EXCHANGE OF LETTERS, AS AUTHORIZED PER REFTTEL.

2. MISSION HAS NOW RECEIVED VERY DISAPPOINTING RESPONSE DATED SEP 19 FROM SCOTT. UNOFFICIAL TRANSLATION OF LETTER, WHICH RECEIVED IN FRANCH, READS AS FOLLOWS: QUOTE. DEAR SIR: IN RESPONSE TO A LETTER WHICH MR. RUPERT PROHM, FIRST SECRETARY OF THE MISSION, ADDRESSED TO ME ON AUG 8, 1975, ON THE ABOVE SUBJECT, I HAVE THE HONOR TO INFORM YOU OF THE FOLLOWING: CONTRARY TO THE UN, THE INTERNATIONAL POSTAL UNION HAS ADOPTED A SYSTEM OF NET DALARIES, IN OTHER WORDS THE SALARIES ARE EXPRESSED IN NET AMOUNTS FOR PERSONNEL PURPOSES, AS WELL AS THE BUDGET, AND THERE EXISTS NEITHER A PROVISION FOR CONTRIBUTION BY PERSONNEL NOR THE EQUALIZATION FUNDS TO REIMBURSE TAXES TO THE PERSONNEL WHOSE COUNTRY HAS NOT ACCEPTED THE CONVENTION ON PRIVILEGES AND IMMUNITIES OF THE SPECIALIZED AGENCIES APPROVED BY THE UN GENERAL ASSEMBLY ON NOV 21, 1947 (RESOLUTION 179 (II)). IN THE ABSENCE OF AN INTERNAL TAXATION SYSTEM AND THE NECESSARY FUNDS, THE UPU CANNOT FORESEE EFFECTING THESE REIMBURSEMENTS EXCEPT AS IT PERTAINS TO TECHNICAL COOPERATION EXPERTS ENGAGED AND FUNDED BY PNUD. MOREOVER, WHILE THE USA DID NOT ADHERE TO THE CONVENTION, NEVERTHELESS, IT TOOK
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CERTAIN UNILATERAL ACTION IN THE FORM OF A WAIVER TO SECONDED PER-

SONNEL EMPLOYED OUTSIDE THE US BY UN SPECIALIZED AGENCIES, ON THE CONDITION THAT SALARIES CONTRIBUTED BY THE ORGANIZATION CONCERNED DOES NOT EXCEED \$20,000 PER ANNUM. IN VIEW OF THE ABOVE, I REGRET NOT TO BE ABLE TO FINALIZE, AS OF NOW, AN AGREEMENT ENVISIONED BY YOUR MISSION--AN ACCORD WHICH WOULD NECESSITATE IN ANY CASE THE APPROVAL OF OUR EXECUTIVE COUNCIL WHICH MEETS ANNUALLY IN MAY. THE QUESTION REMAINS OPEN AND WE WILL BE PLANNING TO BRING IT UP AT A LATER DATE. INsofar AS MR. HAROLD MCCLURE, COUNSELOR, IS CONCERNED, THE SALARY WHICH HE RECEIVED FROM THE UPU FROM 1971-73 IN HIS CAPACITY OF FIRST SECRETARY (GRADE P-3) WAS UNDER THE ANNUAL LIMIT OF \$20,000. SINCERELY YOURS, T. SCOTT. END QUOTE.

2. COPIES OF SCOTT LETTER IN FRENCH PLUS UNOFFICIAL TRANSLATION TOGETHER WITH MISSION'S LETTER OF AUG 8 BEING AIR POUCHED TO DEPT, IO/TRC FOR C. GRIP.

3. MISSION OFFICER HAS DISCUSSED MATTER WITH HAROLD MCCLURE, AMCIT UPU EMPLOYEE, WHO IS DIRECTLY AFFECTED BY THIS MATTER. MCCLURE BELIEVES DIRECTOR GENERAL SOBHI UNWARE OF PROBLEM AND THAT ONLY WAY TO RESOLVE IMPASSE WILL BE TO BRING IT DIRECTLY TO HIS ATTENTION DURING HIS VISIT TO WASHINGTON IN LATE OCT. SUGGEST DEPT AND USPS CONSIDER THIS IN PLANNING FOR SOBHI VISIT.DALE

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